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PART IV - REPRESENTATIONS AND INSTRUCTIONS

SECTION M

EVALUATION FACTORS FOR AWARD

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SECTION M

EVALUATION FACTORS FOR AWARD

M.1 EVALUATION OF PROPOSALS

- (a) This acquisition will be conducted pursuant to the policies and procedures in Federal Acquisition Regulation (FAR) Part 15 and Department of Energy Acquisition Regulation (DEAR) Part 915. DOE has established a Source Evaluation Board (SEB) to evaluate the proposals submitted for this acquisition.
- (b) The Government intends to evaluate proposals and award two contracts to a single Offeror. The Offeror's initial proposal should contain the Offeror's best terms from both a technical and cost standpoint.
- (c) A proposal will be eliminated from further consideration before the initial ratings if the proposal is so grossly and obviously deficient as to be totally unacceptable on its face. For example, a proposal will be deemed unacceptable if it does not represent a reasonable initial effort to address itself to the essential requirements of the RFP, or if it clearly demonstrates that the Offeror does not understand the requirements of the RFP. In the event that a proposal is rejected, a notice will be sent to the Offeror stating the reason(s) that the proposal will not be considered for further evaluation under this solicitation.
- (d) The instructions set forth in Section L of this Request for Proposal (RFP) are designed to provide guidance to the Offeror concerning the documentation that will be evaluated by the SEB. The Offeror must furnish specific information in its response to adequately address the evaluation criteria. cursory responses that merely repeat or reformulate the Statement of Work are not acceptable.
- (e) Prior to award, a finding will be made regarding whether any possible Organizational Conflicts of Interest exists with respect to the apparent successful Offeror or whether there is little or no likelihood that such conflict exists. In making this determination, the Contracting Officer will consider the representation required by Section K of this solicitation.
- (f) For the purpose of evaluating information on an Offeror's experience and past performance, an Offeror shall be defined as those companies that have established business arrangements or relationships for this solicitation, including subcontractors that will perform major or critical aspects of the Statement of Work.
- (g) For the purpose of evaluating Offeror's experience and/or past performance, the SEB

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may contact some or all of the references provided by the Offeror, and may solicit past performance information from other available sources. These include Federal Government electronic databases, readily available government records (including pertinent prime contracts), and other sources other than those identified by the Offeror.

- (h) Any exceptions or deviations to the terms and conditions of the Contract may make the offer unacceptable for award without discussions. If an Offeror proposes exceptions to the terms and conditions of the Contract, the Government may make an award without discussions to another Offeror that did not take exception to the terms and conditions of the Contract. Moreover, a large number of exceptions or one or more significant exceptions not providing benefit to the government may result in the elimination of the proposal from further consideration.
- (i) If a competitive range is established pursuant to FAR 15.306(c), the Contracting Officer's (CO) determination of competitive range for proposals submitted, as a result of this solicitation, will consider such factors as technical evaluation/ranking of the proposal, initial cost/price proposed, probable cost, and other items set forth in this section. Offerors are hereby advised that only the most highly rated proposals deemed to have a reasonable chance for award of a contract may be included in the competitive range. In addition, the Contracting Officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals. Offerors that are not included in the competitive range will be promptly notified.

M.2 BASIS FOR CONTRACT AWARD

DOE intends to award two contracts to the responsible Offeror whose proposal is responsive to the solicitation and determined to be the best value to the Government. Selection will be achieved through a process of evaluating the strengths and weaknesses of each Offeror's proposal against the evaluation criteria described below. The Technical Proposal evaluation criteria are significantly more important than evaluated price. Evaluated price is the Government-determined probable cost plus the proposed total available award fee. Evaluated price will not be point scored. In determining the best value, the Government will assess whether the strengths and weaknesses between or among competing Technical Proposals indicate superiority from the standpoint of:

- (1) What the difference might mean in terms of anticipated performance; and
- (2) What the evaluated price to the Government would be to take advantage of the difference. The Government will not make an award at a price premium it considers disproportionate to the benefits associated with the evaluated superiority of one Technical Proposal over another.

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It is DOE's intent to award the Contracts to the Offeror whose proposal represents the best value to the Government.

M.3 RELATIVE IMPORTANCE OF TECHNICAL EVALUATION FACTORS

The Technical Proposal will be adjectivally rated and will be evaluated using information submitted by the Offerors on four factors. The relative weight of the factors is as shown below:

- | | |
|-----------------------|-----|
| • Technical Approach | 45% |
| • Business Management | 25% |
| • Key Personnel | 25% |
| • Past Performance | 5% |

The evaluation of each factor will be made against the criteria of reasonableness, completeness, and effectiveness toward meeting the requirements of the solicitation, and additional criteria as described in M.4 below.

There will be no subfactors evaluated for the Technical Proposal rating.

M.4 TECHNICAL EVALUATION FACTORS/CRITERIA

(a) Technical Approach (Evaluated based on written proposal)

The Offeror's Technical Approach will be evaluated to determine the Offeror's understanding of and ability to perform the requirements of the Statement of Work.

Testing and Start-up: The DOE will evaluate the Offeror's proposed approach to assume control of the cylinder yard operations and start-up the Conversion Facilities, focused on the period from the end of Contract Mobilization and Transition Phase to the achievement of designed operating capacity at the end of the Testing and Start-up Phase.

The Operations Transition and Start-up Plan (OTSP) provided by the Offeror as an attachment to Volume II will be used to evaluate the Offeror's approach to assuming full Contract responsibility at the end of the Mobilization and Transition Phase.

The DOE will evaluate the readiness of the OTSP to be immediately usable upon Contract award (see Section C). DOE will consider the Offeror's proposed transition of the cylinder surveillance and maintenance activity and Readiness Assessment (RA) completion, including utilization of the UDS Incumbent Contractor's Operational Readiness Review (ORR) information and coordination with the DOE ORR and RA

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teams. The Offeror's plan to conduct hot functional testing upon DOE approval of the RA, to progress from hot functional testing into partial Conversion Operations, and to ramp-up of Conversion Operations from partial Conversion Operations to achieving designed operating capacity will also be considered.

Conversion Operations: The DOE will evaluate the Offeror's proposed approach to routine cylinder yard operations, and Conversion Operations following completion of Testing and Start-up Phase.

The approach, plan, and schedule for Conversion Operations and the quantity of DUF6 to be processed on an annual basis and over the life of the Contract will be evaluated. Consideration will include operating shifts required and manpower projections along with consideration for maintenance and scheduled facility outages. Use of Conduct of Operations principles throughout the conversion and cylinder management operations will also be considered.

The proposed approach for routine cylinder yard operations including, but not limited to, implementation of the cylinder management plan, sequencing and staging of cylinders for conversion, cylinder pre-conversion suitability determinations (visual inspections, NDA analysis, etc.), segregation of cylinders based on assay, and any unique cylinder management methods required to meet the solicitation will be evaluated.

The approach for management and disposition of conversion products and wastes, including material movement and transportation, identification and characterization of wastes, process for ultimate disposition, and waste minimization and pollution prevention will be evaluated.

DOE will assess the level at which the Offeror's Technical Approach accurately and thoroughly identifies and mitigates risk and employs realistic assumptions for all aspects of the Technical Approach.

(b) Business Management (Evaluated based on written proposal)

The Offeror's Business Management approach will be evaluated to determine how effectively the Offeror will provide the services proposed, integrate various functions, interface with stakeholders, deal with problems, and enhance overall control.

Organizational Approach: The DOE will evaluate the appropriateness of the Offeror's approach and systems and its ability to demonstrate control and provide accountability to the DOE for performance under the Contract. DOE will review the organizational chart and placement of Key Personnel in the organization. DOE will consider the authority level of managers, managerial span of control, suitability of the management procedures for monitoring and controlling subcontractor performance,

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and access to corporate resources. The ability of the Offeror's approach and systems to establish and maintain technical, schedule and cost baselines and ensure accurate, timely, and properly controlled changes and reporting will be evaluated; this will include how well the Earned Value Management System (EVMS) conforms to the requirements in Section H.

DOE will evaluate the corporate support capability and expected usage. This will include any joint venture or teaming partners, LLC, or major subcontractors and will focus on corporate governance, routine corporate oversight, and the level of corporate involvement in Contract execution.

DOE will evaluate the relevant experience of the Offeror and each of its major subcontractors with respect to the type of work proposed and the portion of the overall work being performed by each entity. Relevant experience is work similar in size, scope, complexity, and/or risk to that described in Section C. In the case of a newly formed LLC or joint venture formed for the purpose of performing this Contract, DOE will evaluate the experience of each entity of that organization with respect to the type of work proposed and the portion of the work to be performed by each entity. DOE will also evaluate the Offeror's experience in using corporate capability to provide support and problem-solving resources.

Information for contracts completed within the last three years or current contracts, which involve similar work to this solicitation, will be considered. For each contract reported, DOE will evaluate the combined chemical and nuclear experience for operational start-up and testing, routine operations, materials management, low-level waste and mixed low-level waste management, transportation of materials, and environmental, safety, and health programs.

The decision process regarding use of subcontractors and approach for managing subcontractors will be evaluated. The quality and completeness of the Offeror's proposed Small Business Contracting Plan and approach towards achieving the DOE Small Disadvantaged Business Participation Program targets will be evaluated.

The Offeror's approach for proactively interfacing with other DOE site contractors, the United States Enrichment Corporation (USEC), agencies, regulators, stakeholders, or other individuals or entities which are necessary for start-up success will be considered.

(c) Key Personnel (Evaluated based on written proposal and oral presentation)

Key Personnel: The DOE will evaluate the Offeror's Key Personnel's qualifications, knowledge, capability, and experience in their respective positions through consideration of written resumes for the proposed Key Personnel, signed commitment statements from each proposed key person agreeing to the Clause in Section H.8 Key Personnel, references provided for each of the proposed Key Personnel, as well as

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information, which may be obtained by the DOE from other sources. The DOE will evaluate the Key Personnel in their respective positions and also as a team with assembled knowledge, capability, and experience. Key Personnel to be evaluated are:

- Project Manager, Chief Engineer, Business Manager/Project Controls, ES&H Manager, and Quality Assurance (QA) Manager
- Portsmouth Contract: Plant Manager, Operations and Maintenance Manager
- Paducah Contract: Plant Manager, Operations and Maintenance Manager

The DOE will evaluate the Offeror's Key Personnel's understanding and performance in their respective positions, and as members of the Offeror's management team, from information provided during oral presentations and Key Personnel execution during oral presentations and response to the problem-solving exercise.

(d) Past Performance (Evaluated based on written proposal and other sources)

The Offeror's and its major subcontractors' (greater than \$10 million in any year) past performance will be evaluated on the basis of information furnished by its customers (three contracts or projects that are currently being performed or have been performed within the past three years) and other sources on relevant contracts (including current contracts) that are similar in size, scope, complexity and/or risk to the work described in the Section C. The DOE will consider in its evaluation the Offeror's past performance information related to cost control, adherence to schedules, labor management relations, and effective utilization of business systems. The DOE will also consider the Offeror's written discussion of past performance problems, and the corrective actions taken to resolve those problems. The DOE will consider past performance information in areas of environment, safety, health and quality (ESH&Q). In the case of a newly formed joint venture or LLC, DOE will evaluate the past performance of each member that comprises the newly formed entity commensurate with the portion of the work being performed by each entity.

The Past Performance Reference Information Worksheet, ESH&Q Past Performance Indicators form, and Past Performance Questionnaire, identified in Section L, will be used to collect this information. DOE may evaluate past performance on less than the total number of contracts if all the completed questionnaires are not returned.

DOE may solicit past performance information from available sources, including references and clients identified by the Offeror, and will consider such information in its evaluation. References other than those identified by the Offeror may be contacted and be considered by the Government regarding the evaluation of the Offeror's past performance. DOE will check Federal Government electronic databases for relevant past performance information. DOE may check Government records including

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pertinent DOE prime contracts, or commercial references for relevant past performance information. DOE will review all information submitted and may contact some or all of the contract references provided by the Offeror.

Offerors without a record of relevant past performance on contracts that are similar; or for whom past performance is not available, will be evaluated neither favorably nor unfavorably on past performance.

M.5 COST AND FEE EVALUATION CRITERIA

DOE will evaluate each Offeror's proposed cost for realism, reasonableness and completeness. The evaluation of cost realism includes an analysis of specific elements of each Offeror's proposed cost to determine whether the proposed estimated cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the methods of performance and materials described in the Offeror's Technical Proposal. The evaluation of cost reasonableness includes those considerations described in FAR subpart 31.2. The probable cost will be determined based on the Offeror's Cost and Fee Proposal and any upward or downward adjustments required from the evaluation of reasonableness, realism, and completeness. Evaluation of cost reasonableness for the award fee will also include any unique use of fee, such as management or employee fee-sharing arrangements to incentivize performance.

Based on its review, DOE will determine a probable cost to the Government. The DOE will evaluate each Offeror's proposed award fee for reasonableness. The probable cost and proposed total available award fee will be combined to arrive at a price for evaluation purposes.

The Offeror has the responsibility to fully document its Cost and Fee Proposal and provide clear traceability to the Offeror's proposed WBS. DOE may adjust evaluated price as part of its cost realism analysis if the Offeror does not adequately provide this documentation and traceability.